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World Production and Trade

United States
Department of
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Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR 27-84

July 5, 1984

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

OILSEEDS AND PRODUCTS

MEXICO purchased 68,000 tons of soybeans at its June 19 tender, all from the United States. This brings Mexico's total soybean purchases in the current marketing year to 1.534 million tons compared with total imports of 1.07 million tons during the 1982/83 year. Mexico's actual soybean imports may fall below its purchases because included are 280,000 tons from Brazil and 100,000 tons from Argentina and only about half of these amounts may actually be delivered. USDA's current soybean import estimate for Mexico for 1982/83 is 1.3 million tons.

Also, Mexico recently bought 40,000 tons of Canadian rapeseed and 98,000 tons of U.S. sunflowerseed, the first purchases for the new 1984/85 season. Mexico's purchases of sunflowerseed in the 1983/84 year total approximately 495,000 tons, up from 470,000 tons in 1982/83.

DAIRY, LIVESTOCK AND POULTRY

Effective May 31, NICARAGUA and EL SALVADOR are again eligible to export fresh, frozen and chilled meat products to the United States. All products produced on or after that date in plants recertified by the respective government may be shipped to the United States.

Nicaragua, El Salvador and four other countries were removed from the list of countries eligible to ship fresh, frozen and chilled meat to the United States on Feb. 15, 1984. Panama, Nicaragua and El Salvador now have been relisted. Mexico, the Dominican Republic and Haiti remain ineligible at the current time.

Prices for dairy products are under considerable downward pressure, particularly for nonfat dry milk (NDM), as WORLD suppliers actively compete for sales. Supplies of products available for export continue abundant. Trade sources report livelier trading in butter and butter oil in recent months. Price comparisons from fall 1983 to June 1984 for dairy products, f.o.b. North Europe and other selected world ports are as follows:

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	Fall of 1983 (Dollars per ton)	June 1984
Butter	\$1,500-1,700	\$1,250-1,400
Butter oil	\$1,800-1,950	\$1,600-1,670
Cheese	\$1,000-1,450	\$1,000-1,450
NDM	\$ 650-730	\$ 600-700

The General Agreement on Tariffs and Trade minimum price for NDM is \$600 per ton (f.o.b). Australia, New Zealand and Eastern Europe are offering to sell NDM at that price level.

On June 22, 1984, the JAPANESE Ministry of Agriculture, Forestry and Fisheries (MAFF) announced its beef import quotas for April-September 1984, which are as follows:

Quota Category	JFY 1983			JFY 1984
	1st Half	2nd Half	Annual	1st Half
	-----Tons-----			
General	64,000	61,200	125,200	67,500
Special				
Hotel	1,500	1,500	3,000	2,000
Okinawa	2,850	3,000	5,850	2,850
School Lunch	1,250	1,000	2,250	1,250
Boiled Beef	2,400	2,300	4,700	2,400
Total Quotas	72,000	69,000	141,000	76,000

Japan's Livestock Industry Promotion Corporation (LIPC) announced (effective June 22, 1984,) its plans for purchasing frozen imported beef, including grain-fed quality, under the first half of the Japan fiscal year (JFY) 1984 general quota. The quota announcement had been delayed over two months because of negotiations with the United States and Australia to avoid having to go through the docketing process twice.

The LIPC has announced tenders to import 18,000 tons of beef in the first half of JFY 1984 (5,400 tons of grain-fed quality out of the announced quota). Terms are delivery of grain-fed beef to LIPC to occur no later than Aug. 8, 1984, for a mixed item list totaling 2,200 tons and Aug. 31, 1984, for a second quantity not to exceed 3,200 tons (totaling 5,400 tons of grain-fed beef).

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In the BRITISH poultry industry, outbreaks of Newcastle disease are forcing a re-evaluation of current control measures. In 1981, Britain halted its program of vaccinating against Newcastle disease in favor of a program of slaughter and compensation. For over two years, the new program appeared to operate successfully with no outbreaks of Newcastle disease of any type. However, in February 1984, the first outbreak was confirmed and since then there have been 21 more, the most recent on June 18. Feed contaminated by pigeons is suspected of being the primary carrier.

The head of the SINGAPORE Primary Production Department has announced that it will end pig and poultry production in Singapore in the near future. In recent years, hog inventories and slaughter have each been around one million head while pork production was between 50,000 and 60,000 tons. Production of chicken meat has been near 50,000 tons.

The United Industries Corporation of Singapore and several Indonesian partners have announced plans to set up a pig farming project on an Indonesian island 20 kilometers from Singapore. According to plans, the project could produce 300,000-500,000 hogs per year, or about 25 to 40 percent of current pork production levels in Singapore.

COTTON AND FIBERS

BRAZIL has announced a new cotton export quota of 183,700 bales (40,000 tons), 70 percent of which is allotted to cooperatives for direct shipment. Current quotations for Brazilian cotton are reported at 66-70 cents per pound, f.o.b. ports in Parana.

FRUITS AND NUTS

The U.S. agricultural counselor in Bonn estimates the 1984 WEST GERMAN cherry crop at 290,000 tons, 6 percent above the 1983 level of 272,700 tons. Production of sweet cherries is expected to reach 170,000 tons (162,600 tons in 1983), second only to the record crop of 172,400 tons harvested in 1982. The sour cherry harvest is forecast at 120,000 tons, an increase of 9 percent over the 1983 crop of 110,100 tons. A high incidence of monilia damage in non-commercial/homestead plots is expected to cause a heavy draw on commercial supplies. As a result, marketings during the 1984 season are expected to reach 50,000 tons, a 45-percent increase over last year.

The U.S. agricultural counselor in Rome now estimates the 1984 ITALIAN almond crop at 18,000 tons (shelled basis), down one-third from last year. In addition to the normal biannual alternation in the bearing cycle (1984 is an "off" year), excessive rain and humidity from February through May caused above-average nut drop, particularly in the Apulia region. The situation was exacerbated by the advanced ages of Italian trees (40-50 years), which makes them less than optimally productive.

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Official PORTUGUESE sources estimate 1984 almond production will reach 3,500 tons(shelled basis), 6 percent above the 1983 volume. Output in the Algarve is expected to exceed the 1983 levels by 39 percent. In contrast, a substantially smaller crop is forecast in the Douro region, where heavy frosts and sub-freezing temperatures during March and April destroyed 20-30 percent of the blossoms. Total output by region is as follows in 1,000 tons:

	1983	1984 1/
ALGARVE	1.8	2.5
DOURO	1.5	1.0
TOTAL	3.3	3.5

1/ Estimate.

VEGETABLES

Production of tomatoes for processing in ten of the WORLD's leading producing countries in 1984 is forecast at 15.1 million tons, up 13 percent from 1983. Crops in the United States and Italy, the world's two leading producing countries, are expected to be sharply higher than last year. Production is also forecast up in Canada, Mexico, Greece, France, Spain, Israel and Taiwan. Only in Portugal is 1984 production forecast below 1983 output.

In the United States, 1984 contracted planting intentions are estimated at 120,737 hectares, up 3 percent from last year's 117,746. In California, growers planted an estimated 99,150 hectares, up 4 percent from last season. Planting weather for the California crop was the best in several years. Contracted tomato production in 1984 is expected to total 6.89 million tons, up 10 percent from last year's 6.24 million. Actual area harvested in 1983 was 118,260 hectares with production totaling 6.38 million tons.

In Canada, 1984 processing tomato production, based on planting intentions, is forecast up 31 percent from last year's weather-reduced crop. Intentions to contract in 1984 totaled about 12,449 hectares, 14 percent higher than last year. Mexico's tomato for processing production is estimated to be up 36 percent from last year's storm-damaged crop. This year's crop was of below average quality, as a result of storms in January, and tomato sizes were smaller than normal.

Italy's 1984 tomatoes for processing crop is forecast at a record 3.8 million tons, up 17 percent from last year's output and 16 percent over the 3.28-million-ton national production target. Stock shortages and promising export market opportunities have contributed to the sharp production increase forecast for 1984. Unusually low temperatures and record rainfall in May and early June adversely affected crops in northern Italy, but it is still too early to estimate the extent of damage. In southern Italy, contracts signed between growers' associations and individual canners suggest significant regional production increases.

In Greece, processing tomato production is forecast up 3 percent from last year's output. If realized, this would be the largest crop produced in Greece since 1980. In France, production is expected to be up 28 percent as this year's growing season, to date, has been excellent.

In Spain, 1984 tomato for processing production is forecast up 38 percent with area estimated at 21,000 hectares, up 50 percent. After three years of drought, precipitation so far this season has been normal to above normal in major producing areas. In Portugal, growers of processing tomatoes had been expected to expand area this season. However, now a slight drop in both area and yields is indicated as early season rains delayed transplanting and cool temperatures cut yield prospects. As a result, 1984 output is forecast down 1 percent.

In Israel, production is expected to be up 13 percent from last year's crop and up 46 percent from 1982 output. In Taiwan, the 1984 tomato for processing crop is estimated up sharply from last season's rain-damaged crop.

Country production estimates (in 1,000 tons) are as follows:

Country	1982	Revised 1983	Forecast 1984
United States	6,622	6,380	6,887 1/
Canada	477	383	500 1/
Mexico	180	110	150
Italy	3,020	3,250	3,800
Greece	1,178	1,265	1,306
France	375	305	390
Portugal	480	550	545
Spain	567	526	725
Israel	240	310	350
Taiwan	378	370	480
TOTAL	13,517	13,459	15,143

1/ Contracted production only.

COFFEE, TEA AND COCOA

KENYAN green coffee production for the 1984/85 season is now forecast at 1.1 million 60-kilogram bags, 48 percent less than the record high 1983/84 estimate, according to the U.S. agricultural attache in Nairobi. Prevailing dry weather conditions have seriously affected flowering and berry development for the upcoming crop. The record crop for 1983/84 (revised upward to 2.1 million bags) was mostly due to a ban on interplanting food crops with coffee and a resurgence of yields after two successive years of drought.

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WOOD AND WOOD PRODUCTS

The U.S. agricultural counselor in Ottawa reports that CANADIAN exports of softwood lumber in 1984 are projected to be 35.25 million cubic meters, 3.9 percent above the estimated 1983 level. This increase is due primarily to the strength of the large U.S. market.

Canadian housing starts are projected to increase 1.8 percent from the 1983 estimate of 163,000 to 166,000 for 1984.

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Selected International Prices

Item	: July 3, 1984	: Change from	: A year	
	:	: previous week	: ago	
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ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT	\$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	200.00	5.44	+2.00	197.50
U.S. No. 2 DNS/NS: 14%....	184.50	5.02	+3.00	184.50
U.S. No. 2 S.R.W. 9/.....	152.00	4.14	+1.00	149.00
U.S. No. 3 H.A.D.....	181.00	4.93	-6.00	192.00
Canadian No. 1 A: Durum...	192.00	5.22	-1.00	203.00
Feed grains:				
U.S. No. 3 Yellow Corn....	160.00	4.06	-.50	147.00
Soybeans and meal:				
U.S. No. 2 Yellow.....	288.00	7.84	-12.00	246.00
Brazil 47/48% SoyaPellets	182.00	--	-8.00	211.50
U.S. 44% Soybean Meal.....	188.00	--	-8.00	223.00
U.S. FARM PRICES 3/				
Wheat.....	N.Q.	N.Q.	N.Q.	N.Q.
Barley.....	N.Q.	N.Q.	N.Q.	N.Q.
Corn.....	N.Q.	N.Q.	N.Q.	N.Q.
Sorghum.....	N.Q.	N.Q.	N.Q.	N.Q.
Broilers 4/.....	N.Q.	N.Q.	N.Q.	N.Q.
EC IMPORT LEVIES				
Wheat 5/.....	84.70	2.30	-.45	103.45
Barley.....	72.95	1.59	-.10	104.10
Corn.....	48.35	1.23	+1.95	76.95
Sorghum.....	79.20	2.01	+4.50	90.55
Broilers 4/ 6/ 8/.....	163.00	--	+1.00	284.00
EC INTERVENTION PRICES 7/				
Common wheat(feed quality)	175.45	4.77	+.45	178.85
Bread wheat (min. quality)7/	190.80	5.19	+.50	196.15
Barley and all				
other feed grains.....	175.45	--	+.45	178.85
Broilers 4/ 6/.....	1147.00	--	0	1155.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	12.75	.35	+2.40	26.30
Barley.....	N.A.	N.A.	N.A.	58.75
Broilers 4/ 6/ 8/.....	104.00	--	0	203.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.000 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/Reflects change in level set by EC. 9/August shipment. N.Q.=Not quoted. N.A.=None authorized. Note: Basis July delivery.

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